

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 903 - SB 864

March 16, 2015

SUMMARY OF BILL: Enacts the Tennessee Pay Equality Act. Defines terms related to the act. Declares that no employer shall discriminate between employees on the basis of sex by paying any employee a wage rate less than the wage rate the employer pays to any employee of the opposite sex for comparable work on jobs where the performance of such job requires comparable skill, effort, and responsibility, and which are performed under similar working conditions. Requires the Department of Labor and Workforce Development (DLWD) to administer and promulgate rules. Creates cause of action against employers who violate the bill. Any action brought to enforce this part may be maintained as a class action as provided by the Tennessee Rules of Civil Procedure. Requires the Economic Counsel on Women to conduct research on wage disparities that exist between men, women, and minorities assigned to the same job classifications, the factors that cause, or that tend to cause, such disparities, including segregation of women, men, and minorities within the same job classifications, and recommendations that are likely to lead to the elimination of the disparities.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Department of State confirms this bill will have no fiscal impact on departmental operations.
- The Department of Labor and Workforce Development is expected to execute the provisions of the bill within existing resources without an additional appropriation or a reduced reversion.
- There will not be a sufficient number of civil actions for state or local government to experience any significant increase in revenue or expenditures.
- Any other impact as a result of this bill will be borne by private parties.

IMPACT TO COMMERCE:

Other Commerce Impact - The bill may result in increased wage costs, administrative costs for payroll analysis and reporting, or litigation costs for some businesses. The extent of any such increases cannot be determined because such impact is dependent upon the extent of compliance by employers.

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Assumptions:

- The provisions of the bill may result in an increase in pay for workers who are not currently receiving equal pay in their respective workplaces.
- Any resulting increased pay is considered an increase in business wage expenditures. The amount of any potential increased wage expenses cannot be reasonably estimated because such impacts are dependent upon the extent of compliance by employers.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

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